

TOP GLOVE MOOTS 1.28B BONUS ISSUE FOR SHAREHOLDERS

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KUALA LUMPUR, April 20 ? Glove maker Top Glove Corp Berhad has proposed a bonus issue involving up to 1.28 billion new shares as incentive for shareholders.

The group also plans to issue up to US\$300 million (RM1.1 billion) worth of bonds, mainly to repay its bank borrowings.

In a statement to Bursa Malaysia today, Top Glove said it plans to implement the bonus issue on a one-for-one basis.

It also said the bonds may be exchanged "at the option of the holders of the bonds" for new Top Glove shares.

"The bonus issue will enable shareholders to have greater participation in the equity of Top Glove while retaining their percentage of equity.

"It will also increase the number of Top Glove shares in issue which may potentially improve the liquidity and marketability of the shares," the company said in the statement.

The firm said the exact amount of proceeds to be raised via bonds issue cannot currently be determined as it would depend on the actual issue size and the fixed exchange rate, but it added that it expects it to be around RM1.16 billion.

At 3.00pm, Top Glove's share price settled at RM10.20 to give the firm a valuation of RM13.05 billion.